

m/023/007

LAW OFFICES OF
VAN COTT, BAGLEY, CORNWALL & M^CCARTHY

A PROFESSIONAL CORPORATION
ESTABLISHED 1874

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BENNETT, HARKNESS & KIRKPATRICK
1874-1890
BENNETT, MARSHALL & BRADLEY
1890-1896
BENNETT, HARKNESS, HOWAT
SUTHERLAND & VAN COTT
1896-1902
SUTHERLAND, VAN COTT & ALLISON
1902-1907
VAN COTT, ALLISON & RITER
1907-1917
VAN COTT, RITER & FARNSWORTH
1917-1947
H. MICHAEL KELLER

MKELLER@VANCOTT.COM

March 23, 2000

Via Facsimile [(801) 538-6016] and U.S. Mail

Don A. Ostler, P.E.
Executive Secretary
Utah Division of Water Quality
288 North 1460 West
Salt Lake City, Utah

Re: North Lily Mining Company; Notice and Order; Docket No. UGW20-04

Dear Mr. Ostler:

We are writing on behalf of our client North Lily Mining Company to confirm clarification of a provision of the above-referenced Notice. Specifically, paragraph 3 of the Order requires submission of an excess water management plan within "fifteen days of the effective date of the Order." On March 21, 2000, I spoke with Fred Pehrson of your office who indicated that the fifteen-day period referenced in said paragraph 3 is intended to run from the date of receipt of the Order and not from the effective date. We are interpreting it accordingly. If that clarification is not consistent with the intention of the Division, please let us know as soon as possible. We are advised that the Company received the Notice in the mail on Monday, March 20, 2000.

We also wish to assure you that North Lily Mining takes these matters very seriously and intends to work with the Division to resolve them appropriately. Towards this end, the Company has also engaged JBR Environmental Consultants, Inc. to assist it in responding to the issues raised in the Notice.

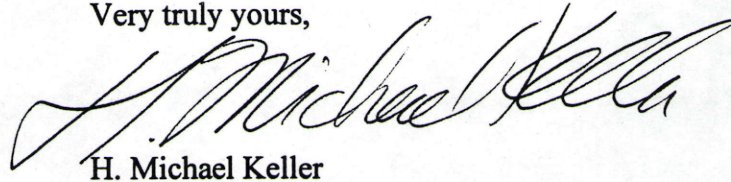
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DIVISION OF
OIL, GAS AND MINING

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Don A. Ostler, PE
March 23, 2000
Page Two

Very truly yours,

A handwritten signature in black ink, appearing to read "H. Michael Keller". The signature is fluid and cursive, with the first name "H." being small and the last name "Keller" being larger and more prominent.

H. Michael Keller

HMK/lr

cc: Stephen Flechner and Gene Webb, North Lily Mining Company
Bob Bayer, JBR Environmental Consultants, Inc.
Fred Nelson, Assistant Attorney General
Mary Ann Wright, DOGM